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UNITED STATES DISTRICT COURT
DISTRICT OF OREGON
PORTLAND DIVISION

UNDER SEAL

UNITED STATES OF AMERICA,

3:17-CR- 60271-ST

v.

INDICTMENT

THERON J. MARRS,

26 U.S.C. §§ 7201, 7206(1), and 7212(a)

Defendant.

UNDER SEAL

THE GRAND JURY CHARGES:

GENERAL ALLEGATIONS

At all times relevant to this Indictment:

1. Theron J. Marrs (hereinafter referred to as defendant) was a resident of Bend, Oregon, from 2005 through July 2015, and has been a resident of Camas, Washington, since August 2015.
2. Defendant was involved in several businesses, including debt elimination, multilevel marketing, and tax advice. Defendant owned and operated the website livingfreeandclear.com through which he sold and promoted abusive tax avoidance schemes.
3. Defendant created and used nominee entities, including trusts, and associated financial accounts to conceal and attempt to conceal income and assets from the Internal Revenue Service (IRS).
4. Prior to 2010, defendant had a history of timely filing federal income tax returns.
5. The IRS is an agency of the United States Department of Treasury responsible for

administering and enforcing the tax laws of the United States and collecting taxes owed to the United States Treasury.

COUNT 1
(Evasion of Payment of Taxes)
(26 U.S.C. § 7201)

6. Paragraphs 1-5 of the General Allegations are incorporated herein.

7. Beginning in or about February 2011 and continuing to and including the date of this Indictment, in the District of Oregon and elsewhere, defendant did willfully attempt to evade and defeat the payment of federal income tax, more than \$265,000, due and owing by him to the United States of America for calendar years 2005, 2006, 2007, 2009, and 2010, by committing the following acts, among others:

a. Mailing harassing and frivolous documents to the IRS in which he falsely claimed that he was not subject to income taxes;

b. Concealing and attempting to conceal the ownership of his personal residence by placing it in the name of nominee entities, including a trust;

c. Sending the IRS fraudulent bonds, bills of exchange, checks, and money orders, attempting to mislead the IRS into accepting such items as payment for defendant's federal income tax due and owing;

d. Concealing and attempting to conceal assets and financial transactions by using businesses and nominee entities, including trusts;

e. Filing false U.S. Individual Income Tax Returns for calendar years 2005, 2006, 2007, 2009, and 2010, which, among other things, falsely represented his income, taxes due, and refund owed;

f. Filing retaliatory lawsuits against IRS employees;

- g. Filing frivolous documents with the U.S. District Court for the District of Oregon;
- h. Filing a false UCC lien in Washington; and
- i. Otherwise concealing and attempting to conceal from all proper officers of the United States of America his true and correct income and assets.

All in violation of 26 U.S.C. § 7201.

COUNT 2
(Filing a False Federal Tax Return)
(26 U.S.C. § 7206(1))

- 8. Paragraphs 1 through 5 the General Allegations are incorporated herein.
- 9. On or about October 23, 2013, in the District of Oregon, defendant did willfully make and subscribe a U.S. Individual Income Tax Return, Form 1040 for calendar year 2005, which was verified by a written declaration that it was made under the penalties of perjury and which he did not believe to be true and correct as to every material matter. That U.S. Individual Income Tax Return, Form 1040, for calendar year 2005, which was prepared and signed in the District of Oregon and was filed with the IRS, stated that his total income, line 22, was \$0, that his total tax, line 63, was \$0, and that his overpayment of tax and refund, Lines 72 and 73a, was \$5,940.08, whereas, as he then and there knew and believed that said items were false.

All in violation of 26 U.S.C. § 7206(1).

COUNT 3
(Filing a False Federal Tax Return)
(26 U.S.C. § 7206(1))

- 10. Paragraphs 1 through 5 the General Allegations are incorporated herein.
- 11. On or about October 23, 2013, in the District of Oregon, defendant did willfully make and subscribe a U.S. Individual Income Tax Return, Form 1040 for calendar year 2006,

which was verified by a written declaration that it was made under the penalties of perjury and which he did not believe to be true and correct as to every material matter. That U.S. Individual Income Tax Return, Form 1040, for calendar year 2006, which was prepared and signed in the District of Oregon and was filed with the IRS, stated that his total income, line 22, was \$57, that his total tax, line 63, was \$0, and that his overpayment of tax and refund, Lines 72 and 73a, was \$82,305.76, whereas, as he then and there knew and believed that said items were false.

All in violation of 26 U.S.C. § 7206(1).

COUNT 4
(Filing a False Federal Tax Return)
(26 U.S.C. § 7206(1))

12. Paragraphs 1 through 5 the General Allegations are incorporated herein.

13. On or about October 23, 2013, in the District of Oregon, defendant did willfully make and subscribe a U.S. Individual Income Tax Return, Form 1040 for calendar year 2007, which was verified by a written declaration that it was made under the penalties of perjury and which he did not believe to be true and correct as to every material matter. That U.S. Individual Income Tax Return, Form 1040, for calendar year 2007, which was prepared and signed in the District of Oregon and was filed with the IRS, stated that his total income, line 22, was \$5,515.57, that his total tax, line 63, was \$0, and that his overpayment of tax and refund, Lines 72 and 73a, was \$14,796.48, whereas, as he then and there knew and believed that said items were false.

All in violation of 26 U.S.C. § 7206(1).

COUNT 5
(Filing a False Federal Tax Return)
(26 U.S.C. § 7206(1))

14. Paragraphs 1 through 5 the General Allegations are incorporated herein.

15. On or about October 23, 2013, in the District of Oregon, defendant did willfully make and subscribe a U.S. Individual Income Tax Return, Form 1040 for calendar year 2009, which was verified by a written declaration that it was made under the penalties of perjury and which he did not believe to be true and correct as to every material matter. That U.S. Individual Income Tax Return, Form 1040, for calendar year 2009, which was prepared and signed in the District of Oregon and was filed with the IRS, stated that his total income, line 22, was \$1,327, that his total tax, line 60, was \$0, and that his overpayment of tax and refund, Lines 72 and 73a, was \$3,465, whereas, as he then and there knew and believed that said items were false.

All in violation of 26 U.S.C. § 7206(1).

COUNT 6
(Filing a False Federal Tax Return)
(26 U.S.C. § 7206(1))

16. Paragraphs 1 through 5 the General Allegations are incorporated herein.

17. On or about October 23, 2013, in the District of Oregon, defendant did willfully make and subscribe a U.S. Individual Income Tax Return, Form 1040 for calendar year 2010, which was verified by a written declaration that it was made under the penalties of perjury and which he did not believe to be true and correct as to every material matter. That U.S. Individual Income Tax Return, Form 1040, for calendar year 2010, which was prepared and signed in the District of Oregon and was filed with the IRS, stated that his total income, line 22, was \$629, that his total tax, line 60, was \$0, and that his overpayment of tax and refund, Lines 73 and 74a, was \$15,643.50, whereas, as he then and there knew and believed that said items were false.

All in violation of 26 U.S.C. § 7206(1).

COUNT 7
(Obstructing or Impeding the Due Administration of Tax Laws)
(26 U.S.C. § 7212(a))

18. Paragraphs 1 through 5 of the General Allegations are incorporated herein.

19. Beginning in or about February 2011 and continuing to and including the date of this Indictment, in the District of Oregon and elsewhere, defendant did corruptly endeavor to obstruct and impede the due administration of the internal revenue laws by: (1) sending IRS employees false payment instruments, including fraudulent bills of exchange, bonds, and money orders, and checks; (2) sending IRS employees threatening and harassing correspondence; (3) filing bogus and retaliatory lawsuits against IRS employees; (4) attempting to file a criminal complaint against IRS employees; (5) filing frivolous documents with the U.S. District Court for the District of Oregon; (6) filing a false UCC lien; and (7) filing with the IRS false U.S. Individual Income Tax Returns, Forms 1040, for calendar years 2005, 2006, 2007, 2009, and 2010, in which he claimed tax refunds totaling approximately \$122,348, whereas defendant was not entitled to tax refunds in this amount.

All in violation of 26 U.S.C. § 7212(a).

DATED this 18 day of July 2017

A TRUE BILL.

FOREPERSON

Presented by:

BILLY J. WILLIAMS
United States Attorney


SCOTT E. BRADFORD
Assistant United States Attorney

INDICTMENT

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